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January 17, 2001

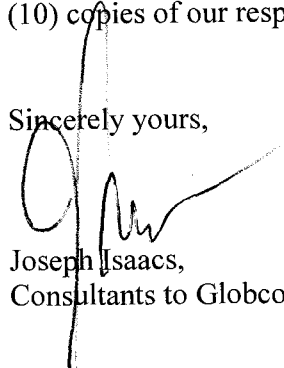
Mr. John Boswick  
Arizona Corporate Commission  
Docket Control  
1200 West Washington Street  
Phoenix, Arizona 85007

RE: Staff's Letter of Fair Market Value Request to GLOBCOM, Inc.  
Docket No. T-04016A-01-0379

Dear Sir,

Pursuant to the letter received from you, dated January 10, 2001 enclosed please find an original and ten (10) copies of our response for GLOBCOM, Inc.:

Sincerely yours,

  
Joseph Isaacs,  
Consultants to Globcom, Inc.

Arizona Corporation Commission

DOCKETED

JAN 18 2002

DOCKETED BY



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January 16, 2002

RESPONSES TO STAFF'S FAIR VALUE REQUEST  
TO GLOBCOM, INC. DOCKET NO. T-04016A-01-0379

BEFORE THE  
ARIZONA CORPORATION COMMISSION

In the Matter of the Application of )  
GLOBCOM, Inc. for a )  
Certificate of Convenience and Necessity to ) Docket No. T-04016A-01-0379  
Provide Intrastate Interexchange Service )  
and Competitive Local Exchange Service )  
Throughout the State of Arizona. )

Applicant desires to only be certified as a reseller of long distance and local exchange services. Applicant **no** longer wishes to be certified as a facility based carrier of either long distance or local exchange services. As a result of this decision the Applicant submitted a revised tariff with the issue date of August 31, 2001 to reflect this change.

As per the Commission's letter, dated January 10, 2002 here are the responses of Globcom, Inc.

If the Applicant has not commenced operations or has been operating in Arizona less than twelve (12) months, please:

1. Provide the projected total revenue for the first twelve months to provide telecommunications service to Arizona customers by the Applicant following certification, adjusted to reflect the **maximum rates** that the Applicant has requested in its tariff. This adjusted total revenue figure could be calculated as the number of units sold for all services offered times the maximum charge per unit.

***ANSWER: Applicant has not made determinations as to the total revenue projected for the first twelve months of operating following certification. Therefore, at this time the Applicant will project ZERO revenues for the 1<sup>st</sup> twelve months following approval of the application. Additional projections can be made upon approval if deemed necessary.***

2. Provide the projected **operating expenses** for the first twelve months to provide telecommunications service to Arizona customers by the Applicant following certification.

***ANSWER: Applicant has not made determinations as to the total expenses projected for the 1<sup>st</sup> twelve months of operations following certification. Since no revenue projects have been made, no expense projects have been made either. . Therefore, at this time the Applicant will project ZERO expenses for the 1<sup>st</sup> twelve months following approval of the application. Additional projections can be made upon approval if deemed necessary.***

3. Provide the book value (original cost less accumulated depreciation) of **all Arizona jurisdictional assets** projected to be providing telecommunications service to Arizona customers at the end of the first twelve months of operation. If the projected fair value of those assets is different than the projected original cost net book value, also provide the corresponding projected fair value amounts. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list. If the projected value of all assets is zero, please specifically state this in your response.

***ANSWER: Applicant is only applying for certification as a reseller therefore, no plant or equipment assets are to be included in book value of applicant. Applicant further states that the projected value of all assets during the 1<sup>st</sup> twelve months following certification will be ZERO as well.***